

Message Text

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71-62

ACTION STR-04

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TAR-01 SP-02 AGR-05 AID-05 CIAE-00 COME-00 EB-07

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FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 5383

INFO AMCONSUL FLORENCE UNN

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C O N F I D E N T I A L ROME 1380

E.O. 11652: N/A

TAGS: ETRD, IT

SUBJ: ITC FOOTWEAR CASE

REF: STATE 3557

SUMMARY: GOI AND INDUSTRY SOURCES HAVE RELUCTANTLY SUPPLIED PROJECTIONS ON ITALIAN FOOTWEAR EXPORTS TO THE U.S.. IN ABSENCE OF U.S. RESTRICTIONS, SOURCES CONCUR (MORE-OR-LESS) IN PREDICTING SLIGHT DECLINE IN QUANTITY AND INCREASE IN VALUE DURING 1976 AND 1977, REFLECTING INCREASING COMPETITION FROM LDC SUPPLIERS OF U.S. MARKET. END SUMMARY.

1. FIGURES FOR ITALIAN FOOTWEAR EXPORTS TO THE U.S. SINCE 1968 THROUGH SEPTEMBER, 1975 PLUS ESTIMATES FOR 1976-77 AS FOLLOWS:

| | QUANTITY (MILLION PAIRS) | VALUE (MILLION LIRE) |
|------|-----------------------------|-------------------------|
| 1968 | 54,345 | 96,129 |
| 1969 | 61,272 | 126,446 |
| 1970 | 79,699 | 166,122 |

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|------|--------|---------|
| 1971 | 71,837 | 166,920 |
|------|--------|---------|

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|----------------|--------|---------|
| 1972 | 71,504 | 186,336 |
| 1973 | 60,314 | 169,997 |
| 1974 | 50,920 | 169,228 |
| 1974 JUN-SEPT. | 37,263 | 119,334 |
| 1975 JUN-SEPT. | 28,505 | 112,475 |
| 1975 (EST) | 50,105 | 182,428 |
| 1976 (EST) | 49,303 | 196,657 |
| 1977 (EST) | 48,514 | 211,996 |

SOURCE: ITALIAN MINISTRY OF FOREIGN TRADE

NOTE 1: DATE COVERS CUSTOMS ENTRIES 64.02 A 111 B 2;
64.02 A V B 1; 64.02 A V B 2; WHICH INCLUDE
APPROXIMATELY 90 PERCENT OF ITALIAN EXPORTS TO THE US

NOTE 2: 1975-77 ESTIMATES COMPUTED BY APPLYING TO 1974
DATA: ANNUAL AVERAGE RATE OF DECREASE (QUANTITY)
OR INCREASE (VALUE) AS DETERMINED FROM THREE-YEAR
MOVING AVERAGE

2. RE METHOD USED TO FORECAST 1975-77 EXPORTS,
MINISTRY FOREIGN TRADE REP SIMEONE (DIRECTOR GATT-EC
AFFAIRS) OBSERVED THAT WIDE VARIABILITY OF YEARLY
DATA (SUCH AS BOOM YEARS 1970-72) MAKE DIRECT FORECASTING
DIFFICULT. METHOD USED IN PARA 1 IS EXTRAPOLATION BASED
ON THREE-YEAR MOVING AVERAGE WHICH, ACCORDING TO
SIMEONE, IS CONFIRMED BY ANALYSIS OF MARKET TENDS AND
CHARACTERISTICS OF ITALIAN FOOTWEAR EXPORTS (INCREASING
EMPHASIS ON HIGH AVERAGE PRICE FOOTWEAR). PREDICTIONS
FROM OTHER SOURCES (ASSUMING NO US RESTRICTIONS):

(A) ITALIAN SHOE MANUFACTURERS' ASSOCIATION, MILAN;
1976 EXPORTS WOULD BE EQUAL TO, OR SLIGHTLY LESS THAN IN
1975. NO FORECAST OF VALUE WAS OFFERED. NO FIGURES
GIVEN FOR 1977.

(B) AMCONSUL FLORENCE, CITING LOCAL SOURCES; 1976 (COMPARED TO
1975) DECREASE OF 5 PERCENT IN QUANTITY, INCREASE OF 10
PERCENT IN VALUE. 1977 (COMPARED TO 1976) INCREASE OF 5 PERCENT
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IN QUANTITY, INCREASE OF 12 PERCENT IN VALUE.

3. ALL SOURCES EXTREMELY WARY ON SUBJECT OF ITALIAN EXPORTS
OF FOOTWEAR TO US MARKET. MOST EMPHASIZE ITALY'S LOSS OF
US MARKET SHARE TO SPAIN AND TO LATIN AMERICA AND FAR
EASTERN LDCS, INDICATING ANY ALLEGED DAMAGE TO US PROCEDURES
NOT RPT NOR ATTRIBUTABLE TO ITALY. FROM US VIEWPOINT,
IMPORTANT POINT IS THAT ITALIAN EXPORTS HIGHLY UNLIKELY

TO INCREASE AND THEREFORE TO DISRUPT US MARKET IN
COMING YEARS.VOLPE

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Message Attributes

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Copy: SINGLE
Draft Date: 27 JAN 1976
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Disposition Authority: morefirh
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